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December 19, 2002

Ms. Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, Rhode Island 02888

Dear Ms. Massaro:

We are filing, herewith, for effect January 18, 2003, tariff material consisting of:

RI PUC No. 15

Part/Section	Revision of Page(s)	Original of Page(s)
<u>D/1</u>	1, 3, 4, 5, and 6	1.1, 3.1 and 4.1
<u>M/4</u>	1 and 2	1.1 and 1.2

The purpose of this filing is to introduce the Subrate DS3 enhancement to the existing Frame Relay Service product portfolio.

Verizon Frame Relay Service is a data communications service that provides data connectivity between/among widely distributed locations. This connectivity is provided via Permanent Virtual Circuit (PVC) connections implemented over access facilities utilizing a switch dedicated to high-speed data services. Subrate DS-3 Service is being introduced to meet our customers' needs for port speeds higher than DS1 but less than DS-3 and for those applications that require higher Committed Information Rate (CIR) for greater throughput. Subrate DS-3 Frame Relay Service will consist of four subrate speeds: 4 MBPS, 6 MBPS, 10 MBPS and 22 MBPS. Along with subrate speeds, we will also provide CIR that can be ordered in one-megabit increments between 2 and 22 MBPS.

The estimated annual revenue effect of the introduction of the Subrate DS-3 enhancement is \$323,280 in Year One, \$410,520 in Year Two and \$484,920 in Year Three.

If you have any questions regarding this filing, please contact Frances O'Neill-Cunha of my staff at 401 525-3560.

Enclosed are an original and nine copies of the tariff material. Please return a copy of this letter and the tariff pages marked "Duplicate" with your stamp of receipt.

Respectfully submitted,

Theresa L. O'Brien

Attachments



Verizon Rhode Island

Tariff Filing Support Package

Subrate DS-3 Frame Relay Service

December 19, 2002

Subrate DS-3 Frame Relay Service

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Section 1

Service Description

The purpose of this filing is to enhance Verizon Rhode Island's ("Verizon RI") existing Frame Relay Service. Verizon RI's Frame Relay Service is a data communications service that provides data connectivity between and among widely distributed locations. The connectivity is provided via Permanent Virtual Circuit (PVC) connections implemented over access facilities utilizing a switch dedicated to high-speed data services.

In this filing, Verizon RI introduces a new product, Subrate DS-3, to meet the needs of customers who require more than DS-1 (1.544 MBPS) but less than DS-3 (45 MBPS) port speeds. The filing also introduces a new feature - Committed Information Rate (CIR) - that enables customers to prioritize data on a PVC basis across a given User Network Interface (UNI) used to connect the end user to the Frame Relay Service network. This allows a sustained throughput of data at a chosen rate and is designed for those applications that require a higher CIR for greater throughput.

Verizon RI will provide two options for its proposed Subrate DS-3 Frame Relay Service: (1) UNI Port with Access Line Connection; and (2) UNI Port Only Connection. The first option provides customers with dedicated access, transport and bandwidth port size at speeds of 56 KBPS, 384 KBPS, 1.544 MBPS, 4 MBPS, 6 MBPS, 10 MBPS and 22 MBPS. The second option is available at sub-rate port connection speeds of 4 MBPS, 6 MBPS, 10 MBPS and 22 MBPS. CIR can be ordered in one-megabit increments between 2 and 22 MBPS.

The customer will also have the option of ordering at the sub-rate speeds on a month-to-month basis or under a one-, three- or five-year variable term pricing plans (VTTPs). Non recurring charges do not apply to service ordered under a term pricing plan. A minimum service commitment period of 12 months applies to the VTTP for Subrate DS-3 Service. Existing Frame Relay Termination Liability procedures as currently defined in the Frame Relay tariff are applicable once the customer has fulfilled the minimum term requirements associated with this new service. This service is also available for resale.

An Administrative Charge is applicable when the customer wants to upgrade or downgrade from one subrate port speed to another subrate port speed or when new PVCs are added or existing PVCs are changed or rearranged.

Section 2

Rationale for Filing

Customer applications that are in use today demand higher bandwidth increments. In order to remain competitive and meet our customers' data requirements, Verizon RI must introduce higher bandwidth services with greater bandwidth throughput. Deploying Subrate DS-3 Frame Relay Service will enable Verizon RI to generate new revenue, retain its existing Local Frame Relay revenue, and preserve the existing customer base in this highly competitive market.

In addition, this filing is consistent with plans to introduce this service throughout the Verizon footprint during the fourth quarter of 2002 and first quarter of 2003.

Section 3

Application of Charges

The rates and charges applicable to Subrate DS3 Frame Relay Service are as follows:

	<u>NEW</u>	<u>NEW</u>	<u>NEW</u>	<u>NEW</u>	<u>NEW</u>
Subrate DS3 Frame Relay Service Bundled Port and Access	Monthly Rate	Monthly- NRC	1 Year Monthly Rate No NRC	3 Year Monthly Rate No NRC	5 Year Monthly Rate No NRC
4 Mbps	\$ 2,650.00	\$ 1,500.00	\$ 2,540.00	\$ 2,300.00	\$2,100.00
6 Mbps	\$ 3,000.00	\$ 1,500.00	\$ 2,875.00	\$ 2,600.00	\$2,400.00
10 Mbps	\$ 3,325.00	\$ 1,500.00	\$ 3,180.00	\$ 2,850.00	\$2,650.00
22 Mbps	\$ 3,500.00	\$ 1,500.00	\$ 3,350.00	\$ 3,000.00	\$2,800.00
	<u>NEW</u>	<u>NEW</u>	<u>NEW</u>	<u>NEW</u>	<u>NEW</u>
Subrate DS3 Frame Relay Service Port ONLY	Monthly Rate	Monthly- NRC	1 Year Monthly Rate No NRC	3 Year Monthly Rate No NRC	5 Year Monthly Rate No NRC
4 Mbps	\$ 790.00	\$ 300.00	\$ 770.00	\$ 740.00	\$ 620.00
6 Mbps	\$ 830.00	\$ 300.00	\$ 810.00	\$ 780.00	\$ 660.00
10 Mbps	\$ 900.00	\$ 300.00	\$ 870.00	\$ 820.00	\$ 700.00
22 Mbps	\$ 1,200.00	\$ 300.00	\$ 1,160.00	\$ 1,090.00	\$ 970.00

	NEW	NEW	NEW	NEW
CIR	Monthly Rate No NRC	1 Yr Rate	3 Yr Rate	5 Yr Rate
2 Mbps	\$ 50.00	N/A	N/A	N/A
3 Mbps	\$ 75.00	N/A	N/A	N/A
4 Mbps	\$ 100.00	N/A	N/A	N/A
5 Mbps	\$ 125.00	N/A	N/A	N/A
6 Mbps	\$ 150.00	N/A	N/A	N/A
7 Mbps	\$ 175.00	N/A	N/A	N/A
8 Mbps	\$ 200.00	N/A	N/A	N/A
9 Mbps	\$ 225.00	N/A	N/A	N/A
10 Mbps	\$ 250.00	N/A	N/A	N/A
11 Mbps	\$ 275.00	N/A	N/A	N/A
12 Mbps	\$ 300.00	N/A	N/A	N/A
13 Mbps	\$ 325.00	N/A	N/A	N/A
14 Mbps	\$ 350.00	N/A	N/A	N/A
15 Mbps	\$ 375.00	N/A	N/A	N/A
16 Mbps	\$ 400.00	N/A	N/A	N/A
17 Mbps	\$ 425.00	N/A	N/A	N/A
18 Mbps	\$ 450.00	N/A	N/A	N/A
19 Mbps	\$ 475.00	N/A	N/A	N/A
20 Mbps	\$ 500.00	N/A	N/A	N/A
21 Mbps	\$ 525.00	N/A	N/A	N/A
22 Mbps	\$ 550.00	N/A	N/A	N/A
ADMIN CHARGE				
\$ 50.00				

Section 4

Multi Year Service Forecast and Revenue Projections

The Forecast is based a on a combination install of the three-year term pricing associated with the 10 MBPS Port Only and Port and Access options. The forecast is representative of all revenues associated with the service offering. The growth rate is based on access line churn rate of 5% per year

Subrate DS-3 Frame Relay Service – Service Forecast

Rhode Island	2003-Year 1	2004- Year 2	2005- Year 3
Port and Access UNI	8	10	12
Port Only UNI	2	3	3
Total	10	13	15

CIR Service Forecast

Rhode Island	2003-Year 1	2004- Year 2	2005- Year 3
CIR – 5 Mbps.	20	26	30

Revenue Forecast UNI Port Only and Port and Access and CIR

Line	RI Rev.	Year 1	Year 2	Year 3	Total 3 YR. Rev	Source
1 Port and Access 3YR Term						
2	Forecast	8	10	12	30	Forecast Chart
3	Rate/Unit	\$ 2,850.00	\$ 2,850.00	\$ 2,850.00	n/a	Rate Chart
4	Revenue	\$ 273,600.00	\$ 342,000.00	\$ 410,400.00	\$ 1,026,000.00	Ln 2 * Ln 3*12
5						
6 Port Only						
7	Forecast	2	3	3	8	Forecast Chart
8	Rate/Unit	\$ 820.00	\$ 820.00	\$ 820.00	n/a	Rate Chart
9	Revenue	\$ 19,680.00	\$ 29,520.00	\$ 29,520.00	\$ 78,720.00	Line7 * Line 8*12
10						
11 CIR						
12	Forecast	20	26	30	76	Forecast Chart
13	Rate/Unit	\$ 125.00	\$ 125.00	\$ 125.00	n/a	Rate Chart
14	CIR Rev.	\$ 30,000.00	\$ 39,000.00	\$ 45,000.00	\$ 114,000.00	Ln12 * Ln13*12
15	Totals	\$ 323,280.00	\$ 410,520.00	\$ 484,920.00	\$ 1,218,720.00	Ln4+Ln 9+Ln 14